NATIONAL HOUSEWARES MANUFACTURERS ASSOCIATION

SEVENTEENTH ANNUAL MARKETING RESEARCH STUDY OF HOUSEWARES MANUFACTURERS

1983

Research by
B. Angell & Associates, Inc.

NHMA
INTERNATIONAL HOUSEWARES EXPOSITION

Serving the Housewares Industry since 1938
Incorporated not for Profit

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1324 Merchandise Mart • Chicago, Illinois 60654-1273 • Telex 706804 • Telephones (312) 644-3333 / 644-6363

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April 1984

TO MEMBERS OF THE HOUSEWARES INDUSTRY:

The National Housewares Manufacturers Association is indeed pleased to publish its Seventeenth Annual Marketing Research Study of Housewares Manufacturers for the year 1983.

The study surveyed exhibitors in both our International Housewares Expositions for that year, and again was carried out for us by the independent market research firm of B. Angell & Associates, Inc.

The 1983 survey results, as presented in this report, provide vital in-depth data about America's exciting housewares industry in a challenging turnaround period for all of our nation's economy.

We sincerely hope that our 17th NHMA Research Study will prove to be a useful and valuable marketing tool for all members of the industry for the remainder of 1984 and beyond.

Additional copies are available upon written request.

NATIONAL HOUSEWARES MANUFACTURERS ASSOCIATION

Ron Fippinger

Ronald A. Fippinger, Managing Director

RAF:lc

B. Angell & Associates, Inc.

One East Superior Street • Chicago Illinois 60611 • 312/943-4400

April, 1984

BACKGROUND AND PURPOSE

Over the past seventeen years since 1967, the National Housewares Manufacturers Association has been conducting annual marketing research studies of housewares manufacturers by surveying exhibitors in its International Housewares Expositions.

The primary purpose of these surveys has been to monitor and track industry sales and marketing trends. More specifically, the surveys provide the following information: manufacturers' dollar sales; percent of dollar sales by product categories and retail and wholesale trends; classification of manufacturers by product categories and size; anticipated sales projections; pricing trends, and other related issues.

These annual NHMA surveys offer a singular opportunity to monitor industry trends on a continuing basis. They represent the most authoritative body of continuous marketing data about housewares manufacturing currently available to the industry.

METHOD

Due to the number, diversity and geographic dispersion of housewares manufacturers, it was determined that a self-administered mail questionnaire is the most effective means for obtaining the desired information.

The anonymity of the responses has been maintained by having the completed questionnaires returned for processing to the certified public accounting firm of Berk & Michaels, P.C. of New York.

For the current study, questionnaires were sent to 1,852 exhibitors in the January and July 1983 NHMA International Housewares Expositions. The findings summarized in this report are based on the responses of 611 manufacturers, representing 33% of the exhibitors.

In our opinion, the rate of return and the sample size provide a reliable and valid profile of the housewares manufacturers who are represented by the NHMA International Housewares Exposition.

Joseph S. Adler
President

HIGHLIGHTS OF THE FINDINGS

The following summary highlights those findings most pertinent to the research objectives, and of greatest interest to the housewares industry.

- During 1983, housewares manufacturers' total dollar sales increased by 12% over the previous year, to $22.4 billion. The 12% increase outperformed the nation's economy. It compares favorably with the 8% rise in the Gross National Product, and the 9% increase in the Personal Income Index during 1983.

- Approximately two out of every five manufacturers (39%) reported that their sales in 1983 exceeded $5,000,000. In turn, 23% reported that their sales were under $1,000,000. Expectations for the coming year demonstrated the industry's continued positive outlook, with 44% estimating that their sales in 1984 will exceed $5,000,000.

	Actual in 1983	Expected for 1984
Under $1 million	23%	17%
$1-$5 million	38	39
Over $5 million	39	44

- Decorative Accessories, representing 14% of housewares manufacturers, accounted for 9% of houseware sales during 1983. Electric Housewares accounted for 35% of the industry's sales and represented 11% of its manufacturers. Manufacturers of Cook and Bakeware, representing 8% of the industry, accounted for 12% of total housewares dollar sales.

- Housewares manufacturers reported that 79% of their 1983 sales were to retail outlets. Of these, 30% were to Mass Merchandisers. After experiencing continued growth over the past several years, housewares sales to Catalog Showrooms leveled in 1983, reported at 9% of the industry's total sales.

- While White has remained the leading preferred color for Bath and Closet Accessories, the mention of Blue and Brown has declined somewhat. On the other hand, Pastels and Beige are expected to increase in popularity in 1984.

- The preference for Almond as the most popular Kitchen Appliances and Accessories color declined to 45% for 1983, and 35% expected for 1984, to represent the first decline in the mention of Almond in several years. The mention of White for Kitchen Appliances and Accessories is consistent with a continued favorable trend.

- Although White and Black have remained the leading preferred colors for Outdoor Products and Accessories, the mention of Yellow has continued to rise. In addition, the increased mention of Red is noteworthy.

- While the preference for Almond for Serving and Buffet Products and Accessories has declined somewhat, Metallic, Blue, Red and Wood Tones are expected to increase in popularity.

- Two-thirds of the manufacturers (66%) reported that they did not increase their prices during 1983. Of the 34% who did raise their prices, the average price increase was 5.2%.

- The primary reason for price increases was concern over "higher material costs," noted by 72% of the manufacturers who expect to increase their prices. Although only 34% of manufacturers reported that they increased their prices in 1983, 61% indicated that they expect to increase their prices in 1984.

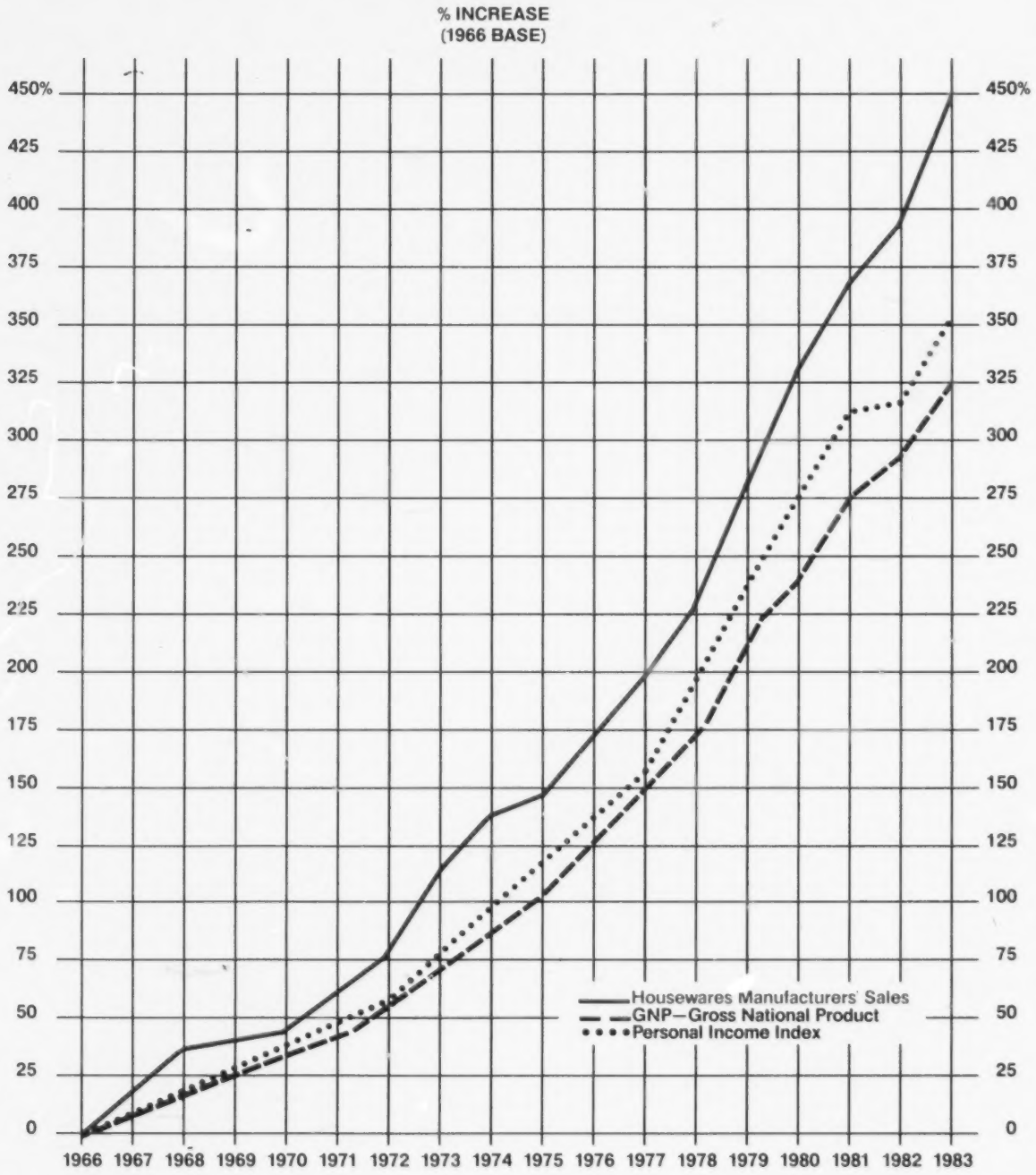
- Nearly half of all housewares manufacturers (48%) indicated that they manufacture their housewares totally within the United States. Of the rest, 14% indicated that they manufacture their products totally outside the United States. In total, according to the manufacturers, 67% of the housewares they handle are manufactured totally in the U.S.; whereas 27% of their products are manufactured totally outside the U.S.

- In 1983, 83% of manufacturers reported that their orders are filled immediately. The average number of days that manufacturers reported their accounts receivables were outstanding was 50 days, with 26% reporting that these accounts are paid within 45 days.

- An inventory of the industry's prevailing attitudes and anticipated problems indicates that the most significant concerns pertain to "changes in the competitive mix," mentioned by 32% of the respondents. These changes pertain primarily to concerns over foreign competition.

- The mention of concerns over "economic factors" was noted by 31% of the manufacturers, the lowest incidence in several years. Approximately a fourth of all manufacturers (24%) indicated concerns over "higher costs." These pertained primarily to "higher costs of materials."

PERCENT GROWTH IN HOUSEWARES MANUFACTURERS' SALES – 1966-1983 COMPARED TO GROSS NATIONAL PRODUCT AND PERSONAL INCOME INDEX



During the past 17 years, housewares manufacturers' annual sales rose from approximately $4 billion in 1966 to more than $22 billion in 1983.

A comparison of manufacturers' sales with two of the nation's leading economic indicators — Gross National Product and Personal Income Index — indicates that the industry's rate of growth has been steady and has consistently outperformed the nation's economy. In fact, from 1982 to 1983, a period during which the Gross National Product rose by 8% and the Personal Income Index increased by 9%, housewares manufacturers' sales rose by 12%.

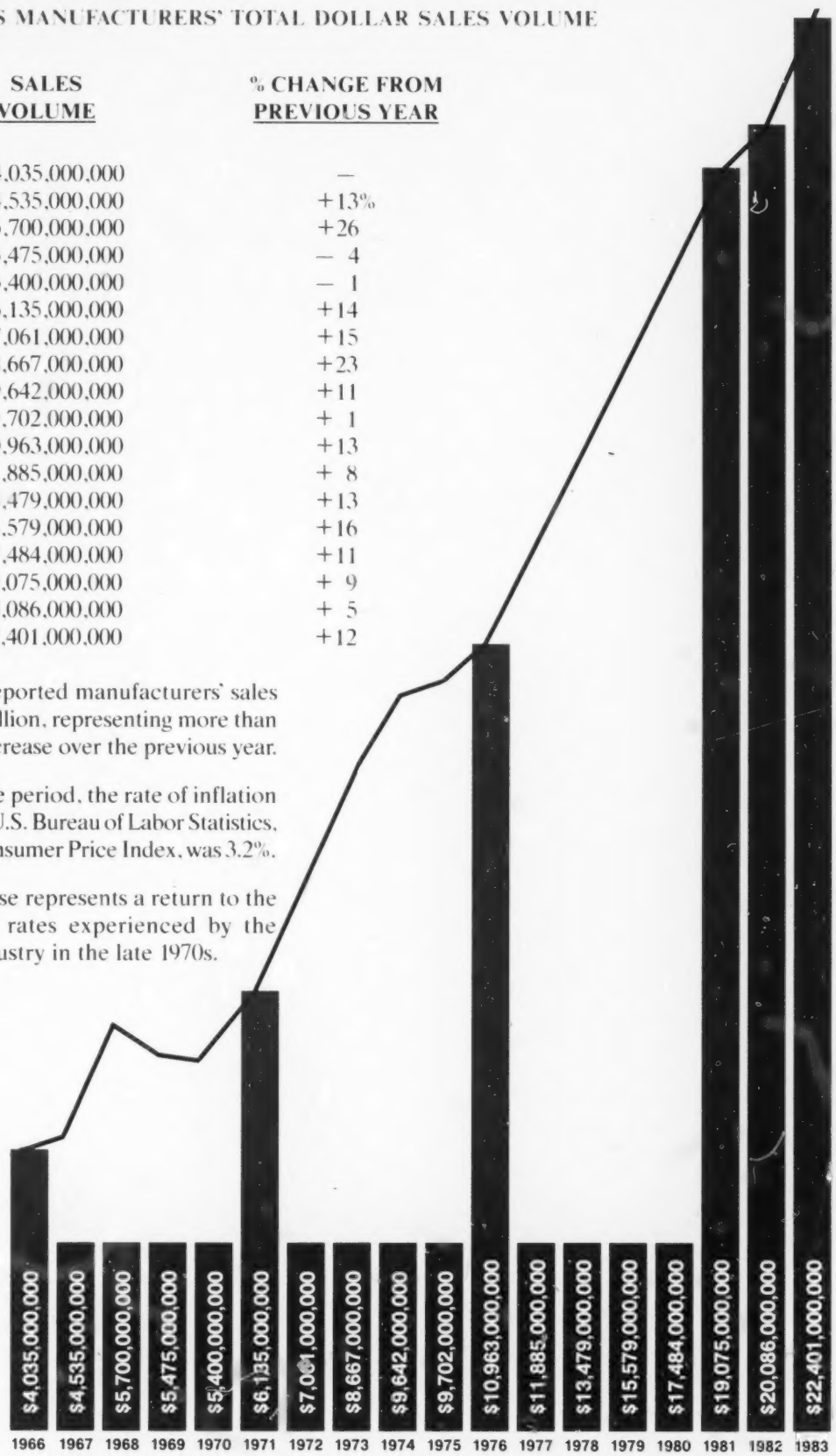
INDUSTRY TRENDS – 1966-1983
HOUSEWARES MANUFACTURERS' TOTAL DOLLAR SALES VOLUME

	SALES VOLUME	% CHANGE FROM PREVIOUS YEAR
1966	$ 4,035,000,000	—
1967	4,535,000,000	+13%
1968	5,700,000,000	+26
1969	5,475,000,000	— 4
1970	5,400,000,000	— 1
1971	6,135,000,000	+14
1972	7,061,000,000	+15
1973	8,667,000,000	+23
1974	9,642,000,000	+11
1975	9,702,000,000	+ 1
1976	10,963,000,000	+13
1977	11,885,000,000	+ 8
1978	13,479,000,000	+13
1979	15,579,000,000	+16
1980	17,484,000,000	+11
1981	19,075,000,000	+ 9
1982	20,086,000,000	+ 5
1983	22,401,000,000	+12

In 1983, total reported manufacturers' sales exceeded $22 billion, representing more than a $2.3 billion increase over the previous year.

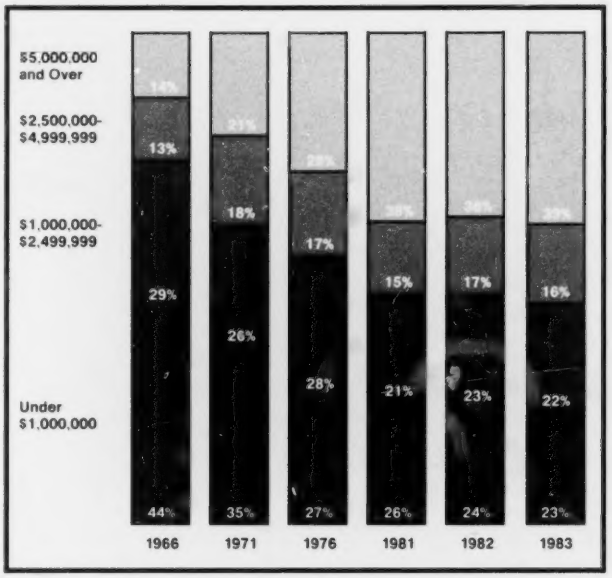
During the same period, the rate of inflation reported by the U.S. Bureau of Labor Statistics, based on the Consumer Price Index, was 3.2%.

The 12% increase represents a return to the annual growth rates experienced by the housewares industry in the late 1970s.



SIZE OF HOUSEWARES MANUFACTURERS– BY DOLLAR SALES VOLUME

	Under $1,000,000	$1,000,000-$2,499,999	$2,500,000-$4,999,999	$5,000,000- and Over
1966	44%	29%	13%	14%
1971	35	26	18	21
1976	27	28	17	28
1981	26	21	15	38
1982	24	23	17	36
1983	23	22	16	39



In 1966, 44% of manufacturers reported sales of under $1 million, while only 14% reported that their sales exceeded $5 million.

In 1983, 39% of the companies reported that their sales exceeded $5 million, as compared to 36% in the previous year. In turn, less than one-fourth of the manufacturers (23%) reported that their sales in 1983 were under $1 million.

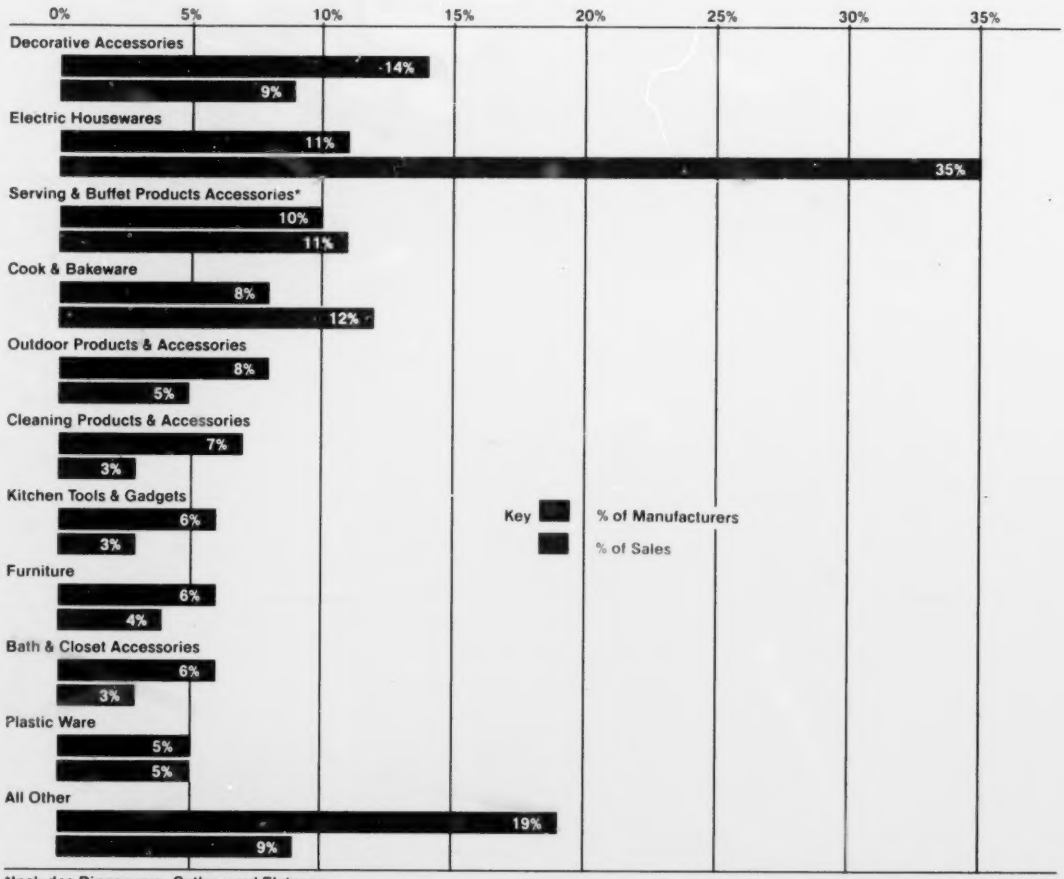
SIZE OF HOUSEWARES MANUFACTURERS– BY DOLLAR SALES VOLUME

SALES VOLUME	ACTUAL 1983		ESTIMATED 1984	
Under $1,000,000	23%		17%	
$1,000,000-$2,499,999	22		20	
$2,500,000-$4,999,999	16	55%	19	63%
$5,000,000 and Over	39		44	
	100%		100%	

While 23% of the manufacturers reported that their sales during 1983 were under $1 million, only 17% expected that their 1984 sales would be under $1 million. Furthermore, whereas 39% indicated that their 1983 sales exceeded $5 million, 44% estimated that their sales for the coming year will exceed $5 million. This optimistic outlook underscores the optimism of the housewares industry and further indicates much of the industry's continued positive outlook.

DISTRIBUTION OF HOUSEWARES MANUFACTURERS AND SALES – 1983 BY PRODUCT CATEGORY

PRODUCT CATEGORY	% OF MANUFACTURERS	% OF SALES
Decorative Accessories	14%	9%
Electric Housewares	11	35
Serving & Buffet Products & Accessories*	10	11
Cook & Bakeware	8	12
Outdoor Products & Accessories	8	5
Cleaning Products & Accessories	7	3
Kitchen Tools & Gadgets	6	3
Furniture	6	4
Bath & Closet Accessories	6	3
Plastic Ware	5	5
All Other	19	9
	100%	100%



*Includes Dinnerware, Cutlery and Flatware

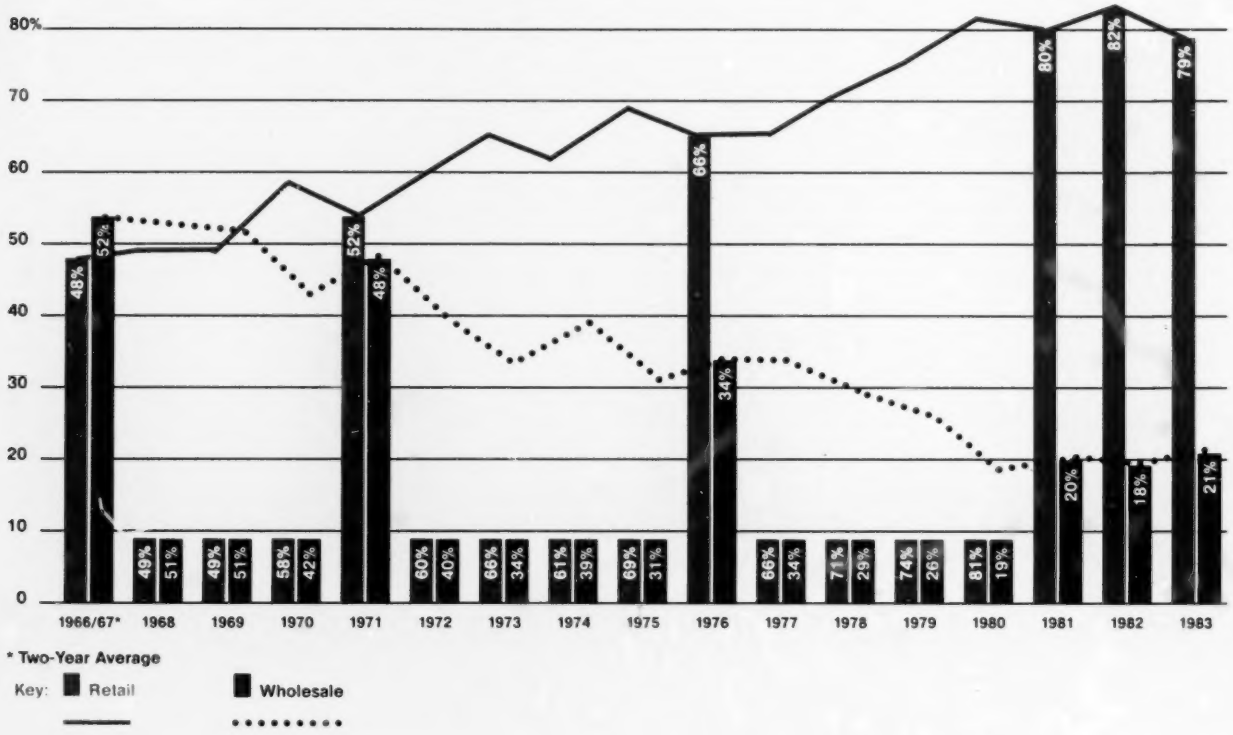
In 1983, approximately one-seventh of participating housewares manufacturers (14%) reported that their product category was Decorative Accessories. This segment represents only 9% of the industry's annual sales.

In turn, manufacturers of Electric Housewares, representing only 11% of the participants, accounted for 35% of the industry's total sales.

The only other category where the percent of sales was significantly higher than the percent of manufacturers was Cook and Bakeware, where 8% of the manufacturers accounted for 12% of the total dollar volume of the industry.

For most of the remaining product categories, the proportion of manufacturers represented by the categories exceeded the proportion of their contributions to the industry's dollar sales.

RATIO OF HOUSEWARES MANUFACTURERS' SALES TO RETAIL VS. WHOLESALE OUTLETS – 1966-1983



In 1983, approximately a fifth (21%) of the industry's total sales were to wholesale outlets. Since 1980, housewares manufacturers' sales to retail outlets have leveled off at approximately 80%.

PERCENT OF TOTAL DOLLAR SALES TO RETAIL AND WHOLESALE OUTLETS
(BASED ON RETAIL + WHOLESALE = 100%)

RETAIL OUTLETS	1983	1982	1981	1976	1971	1966/67†
Mass Merchandisers	30%	28%	28%	20%	18%	10%
Catalog Showrooms	9	12	10	6	—	—
Department Stores	8	9	11	7	10	10
Food Stores	6	5	6	5	3	7
Drug Stores	5	6	6	4	3	2
Housewares/Hardware Stores	5	5	4	5	3	4
Variety Stores	4	3	5	6	7	9
Mail Order	3	2	2	4	4	3
Home Centers	2	2	2	2	*	*
Buying Syndicates	1	3	1	1	*	1
All Other	6	7	5	6	3	2
	79%	82%	80%	66%	52%	48%

WHOLESALE OUTLETS	1983	1982	1981	1976	1971	1966/67†
Housewares/Hardware Distributors	8%	7%	7%	9%	14%	17%
Electric Housewares Distributors	2	3	4	6	8	9
Drug Distributors	2	*	1	2	2	1
Rack Jobbers	2	3	2	3	3	3
Premium Users	1	1	1	2	4	5
Club & Party Plan	1	1	1	5	*	*
Premium Distributors	1	1	1	1	1	2
Stamp Plan Suppliers	1	*	1	1	5	7
Variety Distributors	*	*	*	1	1	2
Jewelry Distributors	*	*	*	*	2	*
All Other	3	2	2	3	8	5
	21%	18%	20%	34%	48%	52%

† Two-Year Average
— Type not listed
* Less than 0.5%

In the current survey, 30% of the industry's total dollar sales for 1983, were reported to have been to Mass Merchandisers. This is consistent with the 28-29% reported since 1979.

The manufacturers reported that 9% of their total dollar sales were to Catalog Showrooms, as compared with 12-13% evident during the past few years; and 8% of housewares sales in 1983 were to Department Stores.

Total manufacturers' sales to wholesale outlets in 1983 were reported at 21%.

HIGHLIGHTS OF 1983-1984 HOUSEWARES COLOR PREFERENCES BY PRODUCT CATEGORIES

BATH & CLOSET ACCESSORIES	Most Popular 1983	Expected for 1984
White	29%	29%
Blue	22	19
Brown	10	4
Pastels	9	13
Almond	9	10
Beige	7	10
Red	7	7

OUTDOOR PRODUCTS & ACCESSORIES	Most Popular 1983	Expected for 1984
White	21%	22%
Black	17	19
Yellow	14	17
Red	14	13
Brown	14	11
Green	10	6
Blue	6	6
Earth Tones	6	5

KITCHEN APPLIANCES & ACCESSORIES	Most Popular 1983	Expected for 1984
Almond	45%	35%
White	33	38
Beige	6	8
Brown	6	7

SERVING & BUFFET PRODUCTS & ACCESSORIES	Most Popular 1983	Expected for 1984
White	22%	25%
Almond	14	16
Brown	14	12
Metalics	10	13
Blue	10	12
Earth Tones	10	4
Red	8	11
Wood Tones	6	13

Note: Colors cited by 5% or fewer of manufacturers are not included. Since some manufacturers mentioned more than one color, some of the above tables total more than 100%.

As in past years, the manufacturers' reported color preference trends were monitored.

For Bath and Closet Accessories, White remained the leading preferred color, reported by 29% of the manufacturers. The mention of Blue declined slightly, from 22% for 1983 to 19% expected for 1984. The popularity of Brown in the bathroom is continuing to decline. In turn, the use of Pastels and Beige for Bath and Closet Accessories is expected to increase in popularity in the coming year.

For the first time in the past several years, the preference for Almond as the most popular Kitchen Appliances and Accessories color declined to 45% for the past year, and 35% for 1984. The mention of White as the most popular 1983 color by a third of the manufacturers (33%) is consistent with a continued favorable trend that has been evident over the past several years for White.

For Outdoor Products and Accessories, White and Black have remained the leading preferred colors. In addition, the mention of Yellow is noteworthy, as its appeal has continued to rise. While the mention of Brown has been declining, in 1983 Red was cited by more manufacturers than in past years.

Finally, for Serving and Buffet Products and Accessories, the mention of Almond has begun to decline, reported at 14% for 1983. Metalic, Blue, Red and Wood Tones are expected to increase in popularity for 1984.

1983/1984 HOUSEWARES PRICE INCREASES

	% OF MANUFACTURERS					
	ACTUAL			ANTICIPATED		
	1983	1982	1981	1984	1983	1982
% AMOUNT OF PRICE INCREASE	34%	41%	68%	61%	56%	71%
1-4%	14	8	6	22	18	11
5	9	11	10	17	21	19
6-9	6	16	30	12	12	23
10	2	2	12	5	3	11
11-14	1	1	5	1	—	2
15	—	1	1	—	1	1
Over 15	1	1	1	1	—	—
	4%	5%	19%	7%	4%	14%
Amount Not Specified	1	1	3	3	1	4
AVERAGE PRICE INCREASE	5.2%	6.1%	7.5%	5.8%	5.1%	6.4%

In the 1981 study, approximately two-thirds of the manufacturers (68%) reported that they had increased their prices, at an average of 7.5%. In the current study, one out of three of the manufacturers (34%) reported having increased their prices during 1983, at an average 5.2%. Furthermore, while 61% of manufacturers expect that they may increase their prices during the coming year, their reported anticipated price increase was 5.8%. It might be noted that a total of 22% of the manufacturers expect their prices to increase less than 5% during 1984.

	1984	1983	1982	1981	1980
EXPECTED TO INCREASE PRICES	61%	56%	71%	85%	95%
REASONS FOR PRICE INCREASES					
Higher Material Costs	72	51	64	69	70
Higher Labor Costs	39	44	48	35	33
Higher Overhead Costs	17	25	23	15	19
Inflation	2	11	19	16	15
Higher Freight Costs	12	9	10	10	11
NO PRICE INCREASES EXPECTED	39%	44%	29%	15%	5%

Note: Since some manufacturers mentioned more than one reason, the above table totals more than 100%.

The primary reason given for the anticipated price increases was "higher material costs," reported by 72% of manufacturers. In turn, the mention of "higher labor costs" as a reason for price increases was reported by 39% of manufacturers, as compared to 44% and 48% in 1983 and 1982, respectively.

Housewares Products Manufactured...	**% OF MANUFACTURERS**
Totally in the U.S.	48%
Partially in the U.S.	38
Totally outside the U.S.	14

The participants in the 1983 survey were asked to indicate what percent of their housewares products were manufactured within or outside the United States.

Almost half of the manufacturers (48%) reported that their products are manufactured totally within the U.S. On the other hand, 14% indicated that the products they offer are manufactured totally outside the U.S.

The remaining 38% of manufacturers reported that their products are manufactured partially in the U.S.

Based on these findings, it has been calculated that 67% of the housewares products offered by manufacturers are made totally in the U.S., 27% are manufactured totally outside the U.S., and the remaining 6% of the industry's products are manufactured partially in the U.S. and partially abroad.

DELIVERY OF ORDERS

% OF ORDERS FILLED IMMEDIATELY	% OF MANUFACTURERS				
	1983	1982	1981	1976	1971
Under 60%	11%	14%	11%	12%	17%
60-69	3	4	5	4	2
70-79	9	8	8	9	12
80-89	13	15	20	17	17
90-99	50 } 64%	46 } 59%	45 } 56%	45 } 58%	42 } 52%
100	14	13	11	13	10
	100%	100%	100%	100%	100%
Average % of Orders Filled Immediately	**83.2%**	**82.6%**	**81.6%**	**82.9%**	**80.6%**

In 1983, manufacturers reported 83.2% of their orders are filled immediately. This represents a continuation of a positive trend that has been evident over the past several years.

ACCOUNTS RECEIVABLE

NUMBER OF DAYS OUTSTANDING	% OF MANUFACTURERS				
	1983	1982	1981	1976	1971
Under 45 Days	**26%**	**23%**	**24%**	**33%**	**39%**
0-14 Days	1	*	1	1	1
15-29	2	2	2	3	6
30-44	23	21	21	29	32
45 Days or Longer	**74%**	**77%**	**76%**	**67%**	**61%**
45-59	46	48	44	40	34
60-74	21	19	24	22	21
75-89	3	5	3	1	2
90 or More	4	5	5	4	4
Average Number of Days Outstanding	**50**	**52**	**51**	**52**	**52**

* Less than 0.5%

More than one-fourth of the manufacturers (26%) in the 1983 survey indicated that their accounts receivable are paid within 45 days. The average number of days their accounts receivable were reported outstanding was 50 days.

PROBLEMS HOUSEWARES MANUFACTURERS ANTICIPATE FOR 1984 (VS. 1983)

	% OF MANUFACTURERS	
	Expected For 1984	Expected For 1983
Changes in the Competitive Mix	**32%**	**26%**
Economic Factors	**31**	**40**
Economic Outlook/Tight Money/Recession	15	24
Maintaining Profit Margins	11	14
Credit/High Interest Rates	7	7
Inflation	2	1
Higher Costs	**24%**	**10%**
Materials	15	4
Rising Interest/Increased Overhead	8	3
Labor	5	3
Freight/Shipping	3	3
Energy	1	1
Production-Related Problems	**17%**	**10%**
Changes in Retailers' Buying/Inventory Attitudes	**15%**	**19%**
Promotion/Marketing-Related Problems	**13%**	**13%**
Collections/Accounts Receivable	**11%**	**23%**
Changing Consumer Needs/Demands	**9%**	**5%**
Declining Sales	**2%**	**10%**
Governmental Regulations/Controls	**1%**	**1%**
No Problems/None	**3%**	**4%**

Note: Since some manufacturers mentioned more than one problem, the above table totals more than 100%.

As in past years, the manufacturers were asked to indicate the problems they anticipate for the coming year, 1984. The responses for the current survey were compared with those reported in the previous surveys.

More so than in past years, in 1983 the most frequently cited manufacturers' concerns pertained to "changes in the competitive mix" (32%). These pertained primarily to concerns over foreign competition.

For the first time in several years, the mention of concerns over "economic factors" declined to 31%, as compared to 40% in last year's survey and 59% reported for 1982.

On the other hand, concerns over "higher costs" were noted by approximately one-fourth of the participating respondents (24%). The most frequently mentioned specific concerns pertained to the anticipated "higher costs of materials," reported by 15% in the current survey as compared to 4% and 5% respectively in the past two years.

The purpose of the following unedited comments is to supplement the foregoing observations regarding prevailing attitudes and concerns for 1984 of some of the responding housewares manufacturers.

"Continuing to maintain market share against competition that encourages price erosion at cost and retail. Maintaining profit margins that will enable us to continue the high costs of research and development of new products, advertising, etc."

●

"Holding our pricing down in view of the fact that there is such a tremendous amount of competition in our product line. We cannot raise prices and keep the business we have. We feel that we are manufacturing a product that is not up to our quality standards. We keep getting cost increases in raw materials and it is very difficult to pass on."

●

"1983 was a year of high unit sales and lower dollars sales due to depression prices for paper. In 1984, we are anticipating higher prices and rapid price changes during a time of relatively slow inflation growth. Accounts are confused as 'old material' and imported raw materials are temporarily making it appear that short supply or higher prices will not be severe. Like everyone else, we do not plan to build extraordinary inventories as a hedge, as we might have done in past years. The result may be an inability to supply 'at once' orders during peak season demand and/or to hold to a price for any extended time period."

●

"A real or imagined, actual or potential reaction to the fiscal deficit that many are afraid will drive up the interest rates, and thus cut the current business and economic recovery. Higher interest rates will burst the bubble of consumer confidence and send already skittish manufacturers running for cover, canceling promotional plans, stopping new product development and projects mid-course, and digging in for what they perceive might be a return to the awful period we just left."

●

"Inflation, and the unimpeded flow of goods from the Far East that is sold below U.S. manufacturers' prices, probably due to their structure of government — low wages, fewer taxes, etc."

"Imports are again the most difficult problem to face. Because of low labor costs and the value of the dollar, importers can generally price lower than domestic companies. Compounding the issue is the increase in the number of department stores that are importing their exclusive products."

●

"Too many sales and not enough available production. Expansion in a major way is taking place, but it may be too late for 1984. The recent recession caused us to delay previous expansion moves. The economic turn-around was too rapid to initially believe in its permanence. Now we are believers."

●

"As a small manufacturer, we are striving to increase market share by meaningful proportions. This will severely challenge our capability to define and implement a successful new product marketing program in the face of stiff competition. We believe that it can be done, provided we've obtained proper research on market niches that are not adequately being served by the majors."

●

"Marketing by large companies is so much more sophisticated than what we can afford. The catalog, point-of-purchase aids, discounts and sales forces are all very slick. A 'one-horse' company has a difficult time getting the retailers' attention. The demand for new products has an adverse effect. We have difficulty developing enough new concepts to satisfy the demands of our customers. Also, the retailers and final customers demand better quality for a domestic line, but are not willing to pay more than what the less well-made import sells for. Direct importation of woodenware hurts. The large department stores can have a 66% gross margin and still undersell our domestic prices."

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"The increased costs from our suppliers can no longer be absorbed. We are faced with two price increases in 1984. We have to pass some of the increase on to our customers and **still remain competitive.**"

"As in years past, foreign competition will again be our single largest hurdle. The domestic dinnerware business suffers more every year, as other countries continue to pour their ceramic products into our marketplace at very low prices. It is the sincere belief of our company that if this is allowed to continue by our government, without any help in the way of tarrifs or import taxes, the domestic dinnerware business in our country will soon disappear. Other problems we anticipate in 1984 will be increased costs in raw materials, including natural gas, and increased labor costs."

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"Raw materials are **purchased in the U.S.** then sent to the Far East, where inferior quality goods are made at labor costs that are 'minimal.' The finished products are then **dragged back** to the U.S. at prices 25-30% under the domestic averages. Where once there were numerous domestic manufacturers in our field, today there are only two — thanks to a lack of government-enforced quotas. When will this 'large association' start considering this a problem?"

"Cost control and new product development are the two most important areas we have to be aware of in 1984."

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"Trying to stop trends is getting harder. The selling marketplace is becoming more fragmented, which makes it much harder to get an overall picture (i.e., 'housewares' separate from 'gourmet,' separate from 'giftware'). No more international tabletop seller to grasp a trend."

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"Rising overhead costs through increases in employee wages, office rentals, warehouse facilities rent escalations and rising labor and shipping costs. Since we are holding our 1983 prices and not increasing costs of goods, the above may cause some problems for 1984; but we feel that our projected sales will more than double. Since the economy has bettered itself, these possible problems can and will be resolved."

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"As the number of mass merchandisers decreases, volume is concentrated in hands of a few large mass merchandisers — K-Mart, Walmart, Target — and unless you feed them, your volume can not move forward."

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